

Power



Electrical Generation

- Pre-War 4,400 Megawatts (MW)
- 05 Oct 03 4,417 MW (Met initial goal of 4,400 MW)
- 01 Jun 04 6,000 MW (Estimated summer 2003 peak demand)
- Ambassador Bremer approved a new power increase plan on 14 Jan to prevent current project delays from impacting the goal of 6,000 MW by 01 Jun
- CPA Autumn Maintenance Program began Oct 03 and continues with about 900 MW currently in maintenance





Crude Oil Production

Post-War Peak: 2.484M BPD (06 Jan)

• 7-day Average: 2.428M BPD

• Iraqi Use*: 0.828M BPD

Mid-Term Target (Mar 04): 2.500M BPD

Long-Term Target (Dec 04): 2.8-3.0M BPD



Cash Received:

· Receivable:

Crude Export

• Jun: 0.200M BPD

• Jul: 0.322M BPD

• Aug: 0.646M BPD

• Sep: 0.983M BPD

• Oct: 1.149M BPD

• Nov: 1.524M BPD

• Dec: 1.541M BPD

• 7-day Daily Avg: 1.600M BPD (08 Jan – 14 Jan)

\$4,200.0M

\$1,100.0M

\$5,300.0M

^{*}This is an estimate which includes unspecified re-injection rates, smuggling, and storage.



Education

Major constraints to reconstruction and reform in education

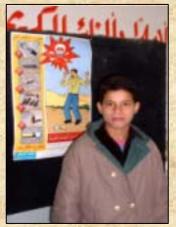
- Politicization and rigid government control
- Inefficient management and limited capacity
- Physical infrastructure deteriorating
- Deterioration of quality of education
- Basic training and preparation of teachers is weak

Current Activities

- Rehabilitated 2,241 out of 11,939 deteriorating schools
- 899 secondary school Master Trainers nationwide
- Grants worth over \$5.6M awarded for rehabilitation of schools and ministry offices throughout the country
- Printed and distributed 5.6 million math and science textbooks. Second phase printing has commenced

Milestones

- 72 million new textbooks will be distributed before end of school year
- 64,000 or more secondary teachers and 5,000 school principals and administrators trained in modern teaching methods





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Health Care

Infant mortality

- Result of poor neonatal care
- · Lack of skilled providers at birth
- Low birth weight due to poor maternal nutrition
- Feeding infant formula mixed with impure water
- · Lack of antibodies available through breastfeeding

Improved infant survival rates through ongoing programs

- Nutrition training for health care workers
- Promotion of breastfeeding, malnutrition screening, high protein biscuits, vitamin fortification of flour and salt, vitamin A distribution
- Immunization programs being continued to prevent childhood illnesses
- More than 3 million children under five vaccinated under the Expanded Immunization Program (EIP) since June 03

Milestones

- Apr 04: Electronic health surveillance program initiated
- Jun 04: Model health care clinics established emphasizing prevention and disease management
- End 04: 90% of all children receive routine immunizations
- End 05: Infant mortality rate reduced by half to 50 / 1,000



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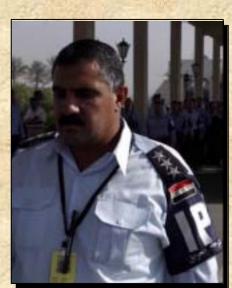


Security

Iraqi Security Forces	Operating	Required
Border Police	20.7K	25.7K
Police	65.7K	71.0K
Civil Defense Corps	17.8K	40.0K
Facilities Protection Service	97.6K	50.0K
New Iraqi Army	1.1K	40.0K
Total	202.9K	226.7K

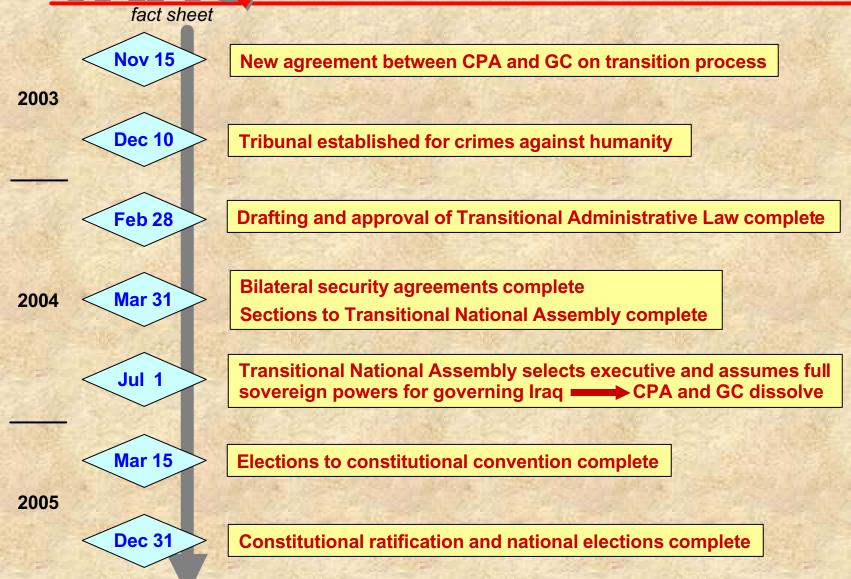


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Governance



New Government Assumes Power

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Economics

Financial Markets

- Currency exchange has concluded
 - The settlement price was 1,405 Iraqi dinars per dollar, compared with an average street price of 1,395

Private Sector Development

- The Ministry of Finance is preparing an automated accounting and budgeting system to manage public sector financial information
 - Training in the operation and management of the new system will also be provided to staff of the Iraqi ministries

Other Developments

- Export-Import Bank of the US (Ex-Im Bank) can provide three different types of financing to support Iraqi reconstruction efforts
 - Short-term credit insurance under new, \$500 million facility for the Trade Bank of Iraq
 - Guarantees or insurance if there is a creditworthy source of repayment
 - Working capital guarantees for U.S. subcontractors to U.S. government-funded reconstruction contracts